

(c) Consultation

In carrying out this section, the Secretary shall consult with the Secretary of Energy.

(d) Funding

Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section \$1,000,000 for each of fiscal years 2003 through 2007.

(Pub. L. 107–171, title IX, §9004, May 13, 2002, 116 Stat. 480.)

§ 8105. Energy audit and renewable energy development program**(a) In general**

The Secretary shall make competitive grants to eligible entities to carry out a program to assist farmers, ranchers, and rural small businesses in becoming more energy efficient and in using renewable energy technology and resources.

(b) Eligible entities

Entities eligible to carry out a program under subsection (a) of this section are—

- (1) a State energy or agricultural office;
- (2) a regional or State-based energy organization or energy organization of an Indian tribe (as defined in section 450b of title 25);
- (3) a land-grant college or university (as defined in section 3103 of this title) or other institution of higher education (as defined in section 1001 of title 20);
- (4) a rural electric cooperative or utility;
- (5) a nonprofit organization; and
- (6) any other entity, as determined by the Secretary.

(c) Merit review**(1) Merit review process**

The Secretary shall establish a merit review process to review applications for grants under subsection (a) of this section that uses the expertise of other Federal agencies, industry, and nongovernmental organizations.

(2) Selection criteria

In reviewing applications of eligible entities to receive grants under subsection (a) of this section, the Secretary shall consider—

- (A) the ability and expertise of the eligible entity in providing professional energy audits and renewable energy assessments;
- (B) the geographic scope of the program proposed by the eligible entity;
- (C) the number of farmers, ranchers, and rural small businesses to be assisted by the program;
- (D) the potential for energy savings and environmental and public health benefits resulting from the program; and
- (E) the plan of the eligible entity for educating farmers, ranchers, and rural small businesses on the benefits of energy efficiency and renewable energy development.

(d) Use of grant funds**(1) Required uses**

A recipient of a grant under subsection (a) of this section shall use the grant funds to conduct and promote energy audits for farmers,

ranchers, and rural small businesses to provide farmers, ranchers, and rural small businesses recommendations on how to improve energy efficiency and use renewable energy technology and resources.

(2) Permitted uses

In addition to the uses described in paragraph (1), a recipient of a grant may use the grant funds to make farmers, ranchers, and rural small businesses aware of, and ensure that they have access to—

- (A) financial assistance under section 8106 of this title; and
- (B) other Federal, State, and local financial assistance programs for which farmers, ranchers, and rural small businesses may be eligible.

(e) Cost sharing

A recipient of a grant under subsection (a) of this section that conducts an energy audit for a farmer, rancher, or rural small business under subsection (d)(1) of this section shall require that, as a condition of the energy audit, the farmer, rancher, or rural small business pay at least 25 percent of the cost of the audit.

(f) Use of cost-share funds

Funds collected by a recipient of a grant under subsection (e) of this section as a result of activities carried out using the grant funds shall be used to conduct activities authorized under this section, as approved by the Secretary.

(g) Consultation

In carrying out this section, the Secretary shall consult with the Secretary of Energy.

(h) Reports

Not later than 4 years after May 13, 2002, the Secretary shall submit to Congress a report on the implementation of this section.

(i) Authorization of appropriations

There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2002 through 2007.

(Pub. L. 107–171, title IX, §9005, May 13, 2002, 116 Stat. 480.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 8106 of this title.

§ 8106. Renewable energy systems and energy efficiency improvements**(a) In general**

In addition to exercising authority to make loans and loan guarantees under other law, the Secretary shall make loans, loan guarantees, and grants to farmers, ranchers, and rural small businesses to—

- (1) purchase renewable energy systems; and
- (2) make energy efficiency improvements.

(b) Eligibility

To be eligible to receive a grant under subsection (a) of this section, a farmer, rancher, or rural small business shall demonstrate financial need as determined by the Secretary.

(c) Cost sharing**(1) In general****(A) Grants**

The amount of a grant shall not exceed 25 percent of the cost of the activity funded under subsection (a) of this section.

(B) Maximum amount of combined grant and loan

The combined amount of a grant and loan made or guaranteed shall not exceed 50 percent of the cost of the activity funded under subsection (a) of this section.

(2) Factors

In determining the amount of a grant or loan, the Secretary shall take into consideration, as applicable—

- (A) the type of renewable energy system to be purchased;
- (B) the estimated quantity of energy to be generated by the renewable energy system;
- (C) the expected environmental benefits of the renewable energy system;
- (D) the extent to which the renewable energy system will be replicable;
- (E) the amount of energy savings expected to be derived from the activity, as demonstrated by an energy audit comparable to an energy audit under section 8105 of this title;
- (F) the estimated length of time it would take for the energy savings generated by the activity to equal the cost of the activity; and
- (G) other factors as appropriate.

(d) Interest rate**(1) In general**

A loan made by the Secretary under subsection (a) of this section shall bear interest at the rate equivalent to the rate of interest charged on Treasury securities of comparable maturity on the date the loan is approved.

(2) Duration

The interest rate for each loan will remain in effect for the term of the loan.

(e) Consultation

In carrying out this section, the Secretary shall consult with the Secretary of Energy.

(f) Funding

Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section \$23,000,000 for each of fiscal years 2003 through 2007.

(Pub. L. 107–171, title IX, §9006, May 13, 2002, 116 Stat. 482.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 8105 of this title.

§ 8107. Hydrogen and fuel cell technologies**(a) In general**

The Secretary and the Secretary of Energy shall enter into a memorandum of understanding under which the Secretary and the Secretary of Energy shall cooperate in the application of hydrogen and fuel cell technology pro-

grams for rural communities and agricultural producers.

(b) Dissemination of information

Under the memorandum of understanding, the Secretary shall work with the Secretary of Energy to disseminate information to rural communities and agricultural producers on potential applications of hydrogen and fuel cell technologies.

(Pub. L. 107–171, title IX, §9007, May 13, 2002, 116 Stat. 483.)

§ 8108. Continuation of bioenergy program**(a) Definitions**

In this section:

(1) Bioenergy

The term “bioenergy” means—

- (A) biodiesel; and
- (B) fuel grade ethanol.

(2) Biodiesel

The term “biodiesel” means a monoalkyl ester that meets the requirements of an appropriate American Society for Testing and Materials standard.

(3) Eligible commodity

The term “eligible commodity” means—

- (A) wheat, corn, grain sorghum, barley, oats, rice, soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard, crambe, sesame seed, and cottonseed;
- (B) a cellulosic commodity (such as hybrid poplar and switch grass);
- (C) fats, oils, and greases (including recycled fats, oils, and greases) derived from an agricultural product; and
- (D) any animal byproduct (in addition to oils, fats, and greases) that may be used to produce bioenergy, as determined by the Secretary.

(4) Eligible producer

The term “eligible producer” means a producer that uses an eligible commodity to produce bioenergy.

(b) Bioenergy Program**(1) Continuation**

The Secretary shall continue the program under part 1424 of title 7, Code of Federal Regulations (or any successor regulation), under which the Secretary makes payments to eligible producers to encourage increased purchases of eligible commodities for the purpose of expanding production of such bioenergy and supporting new production capacity for such bioenergy.

(2) Contracts

To be eligible to receive a payment, an eligible producer shall—

- (A) enter into a contract with the Secretary to increase bioenergy production for 1 or more fiscal years; and
- (B) submit to the Secretary such records as the Secretary may require as evidence of increased purchase and use of eligible commodities for the production of bioenergy.